

AMENDED IN ASSEMBLY MAY 14, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 155

Introduced by Assembly Member Nakanishi

January 18, 2007

An act to add *and repeal* Sections 17059 and 23659 ~~to~~ of the Revenue and Taxation Code, relating to taxation, ~~and making an appropriation therefor,~~ to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 155, as amended, Nakanishi. Income and corporation taxes: credit: energy efficient homes.

The Personal Income Tax Law and *the* Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, under both laws, ~~for each~~ *the* taxable year beginning on or after January 1, 2008, *and ending before January 1, 2009*, allow a ~~refundable~~ credit to a qualified taxpayer, as defined, for the construction of, or acquiring of, a qualified energy efficient home, as provided.

This bill would take effect immediately as a tax levy.

Vote: $\frac{2}{3}$ -majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17059 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17059. (a) For each taxable year beginning on or after January
- 4 1, 2008, there shall be allowed as a credit against the “net tax,” as

1 defined by Section 17039, to a qualified taxpayer an amount equal
2 to the amount determined in subdivision (b) *for the taxable year*
3 *in which a qualified energy efficient home is certified pursuant to*
4 *subdivision (d) or (e).*

5 (b) The amount of the credit shall be either of the following:

6 (1) Two thousand dollars (\$2,000) if the qualified energy
7 efficient home is certified pursuant to subdivision (d).

8 (2) One thousand dollars (\$1,000) if the qualified energy
9 efficient home is certified pursuant to subdivision (e).

10 (c) For purposes of this section:

11 (1) "Eligible contractor" means a person who constructed a
12 qualified energy efficient home or the manufactured home producer
13 of a qualified energy efficient home if the qualified energy efficient
14 home is a manufactured home.

15 (2) "Qualified energy efficient home" means a dwelling unit
16 located in California ~~whose construction is substantially completed~~
17 ~~after January 1, 2008, and that~~ is certified under subdivision (d)
18 or (e).

19 ~~(3) "Qualified taxpayer" means either an eligible contractor or~~
20 ~~a person who acquired or purchased a qualified energy efficient~~
21 ~~home from an eligible contractor.~~

22 (3) "*Qualified taxpayer*" means an eligible contractor who is
23 a California taxpayer.

24 (d) A dwelling unit shall be certified, and the qualified taxpayer
25 allowed a credit under paragraph (1) of subdivision (b), if all of
26 the following conditions are met:

27 (1) The dwelling unit has a level of annual heating and cooling
28 energy consumption that is at least 50 percent below the annual
29 level of heating and cooling energy consumption of a comparable
30 dwelling unit and has building envelope component improvements
31 that account for at least one-fifth of that percent.

32 (2) The dwelling unit is constructed in accordance with the
33 standards of Chapter 4 of the 2003 International Energy
34 Conservation Code as that code, including supplements, is in effect
35 on January 1, 2008.

36 (3) The dwelling unit contains heating and cooling equipment
37 efficiencies which correspond to the minimum allowed under the
38 regulations established by the United States Department of Energy
39 pursuant to the National Appliance Energy Conservation Act of

1 1987 in effect at the time of completion of construction of the
2 dwelling unit.

3 (4) The dwelling unit conforms to Section 3280 of Title 24 of
4 the Code of Federal Regulations if the dwelling unit is a
5 manufactured home.

6 (5) *The qualified taxpayer submits to the Franchise Tax Board*
7 *a certificate issued by the Secretary of Energy on or after January*
8 *1, 2008, pursuant to Section 45L of Title 26 of the United States*
9 *Code.*

10 (e) A dwelling unit shall be certified, and the qualified taxpayer
11 allowed a credit under paragraph (2) of subdivision (b), if all of
12 the following conditions are met:

13 (1) The dwelling unit is a manufactured home *that was*
14 *manufactured in California.*

15 (2) The dwelling unit conforms to Section 3280 of Title 24 of
16 the Code of Federal Regulations.

17 (3) The dwelling unit meets either of the following standards:

18 (A) Has a level of annual heating and cooling energy
19 consumption that is at least 30 percent below the annual level of
20 heating and cooling energy consumption of a comparable dwelling
21 unit and has building envelope component improvements that
22 account for at least one-third of that percent.

23 (B) Meets the requirements established by the Administrator of
24 the United States Environmental Protection Agency under the
25 Energy Star Labeled Homes program.

26 ~~(f) In the case where the credit allowed by this section exceeds~~
27 ~~the taxpayer's tax liability computed under this part, the excess~~
28 ~~shall be credited against other amounts due, if any, from the~~
29 ~~taxpayer, and the balance, if any, shall be refunded to the taxpayer.~~

30 (4) *The qualified taxpayer submits to the Franchise Tax Board*
31 *a certificate issued by the Secretary of Energy on or after January*
32 *1, 2008, pursuant to Section 45L of Title 26 of the United States*
33 *Code.*

34 (f) *For purposes of this section, if a credit is allowed under this*
35 *section for any expenditure with respect to any property, the*
36 *increase in the basis of that property that would, but for this*
37 *subdivision, result from that expenditure shall be reduced by the*
38 *amount of the credit allowed.*

39 (g) *In the case where the credit allowed by this section exceeds*
40 *the "net tax," the excess may be carried over to reduce the "net*

1 tax” in the following year, and the succeeding seven years if
2 necessary, until the credit is exhausted.

3 ~~(g)~~

4 (h) The Franchise Tax Board shall promulgate rules and
5 regulations necessary to implement this section.

6 (i) *This section shall remain in effect only until December 31,*
7 *2008, and as of that date is repealed, unless a later enacted statute,*
8 *which is enacted before December 31, 2008, deletes or extends*
9 *that date.*

10 SEC. 2. Section 23659 is added to the Revenue and Taxation
11 Code, to read:

12 23659. (a) For each taxable year beginning on or after January
13 1, 2008, there shall be allowed as a credit against the “tax,” as
14 defined by Section 23036, to a qualified taxpayer an amount equal
15 to the amount determined in subdivision (b) *for the taxable year*
16 *in which a qualified energy efficient home is certified pursuant to*
17 *subdivision (d) or (e).*

18 (b) The amount of the credit shall be either of the following:

19 (1) Two thousand dollars (\$2,000) if the qualified energy
20 efficient home is certified pursuant to subdivision (d).

21 (2) One thousand dollars (\$1,000) if the qualified energy
22 efficient home is certified pursuant to subdivision (e).

23 (c) For purposes of this section:

24 (1) “Eligible contractor” means a person who constructed a
25 qualified energy efficient home or the manufactured home producer
26 of a qualified energy efficient home if the qualified energy efficient
27 home is a manufactured home.

28 (2) “Qualified energy efficient home” means a dwelling unit
29 located in California ~~whose construction is substantially completed~~
30 ~~after January 1, 2008, and that~~ is certified under subdivision (d)
31 or (e).

32 ~~(3) “Qualified taxpayer” means either an eligible contractor or~~
33 ~~a person who acquired or purchased a qualified energy efficient~~
34 ~~home from an eligible contractor.~~

35 (3) “Qualified taxpayer” means an eligible contractor who is
36 a California taxpayer.

37 (d) A dwelling unit shall be certified, and the qualified taxpayer
38 allowed a credit under paragraph (1) of subdivision (b), if all of
39 the following conditions are met:

1 (1) The dwelling unit has a level of annual heating and cooling
2 energy consumption that is at least 50 percent below the annual
3 level of heating and cooling energy consumption of a comparable
4 dwelling unit and has building envelope component improvements
5 that account for at least one-fifth of that percent.

6 (2) The dwelling unit is constructed in accordance with the
7 standards of Chapter 4 of the 2003 International Energy
8 Conservation Code as that code, including supplement, is in effect
9 on January 1, 2008.

10 (3) The dwelling unit contains heating and cooling equipment
11 efficiencies that correspond to the minimum allowed under the
12 regulations established by the United States Department of Energy
13 pursuant to the National Appliance Energy Conservation Act of
14 1987 in effect at the time of completion of construction of the
15 dwelling unit.

16 (4) The dwelling unit conforms to Section 3280 of Title 24 of
17 the Code of Federal Regulations if the dwelling unit is a
18 manufactured home.

19 (5) *The qualified taxpayer submits to the Franchise Tax Board*
20 *a certificate issued by the Secretary of Energy on or after January*
21 *1, 2008, pursuant to Section 45L of Title 26 of the United States*
22 *Code.*

23 (e) A dwelling unit shall be certified, and the qualified taxpayer
24 allowed a credit under paragraph (2) of subdivision (b), if all of
25 the following conditions are met:

26 (1) The dwelling unit is a manufactured home *that was*
27 *manufactured in California.*

28 (2) The dwelling unit conforms to Section 3280 of Title 24 of
29 the Code of Federal Regulations.

30 (3) The dwelling unit meets either of the following standards:

31 (A) Has a level of annual heating and cooling energy
32 consumption that is at least 30 percent below the annual level of
33 heating and cooling energy consumption of a comparable dwelling
34 unit and has building envelope component improvements that
35 account for at least one-third of that percent.

36 (B) Meets the requirements established by the Administrator of
37 the United States Environmental Protection Agency under the
38 Energy Star Labeled Homes program.

39 ~~(f) In the case where the credit allowed by this section exceeds~~
40 ~~the taxpayer's tax liability computed under this part, the excess~~

1 shall be credited against other amounts due, if any, from the
2 taxpayer, and the balance, if any, shall be refunded to the taxpayer.

3 (4) *The qualified taxpayer submits to the Franchise Tax Board*
4 *a certificate issued by the Secretary of Energy on or after January*
5 *1, 2008, pursuant to Section 45L of Title 26 of the United States*
6 *Code.*

7 (f) *For purposes of this section, if a credit is allowed under this*
8 *section for any expenditure with respect to any property, the*
9 *increase in the basis of that property that would, but for this*
10 *subdivision, result from that expenditure shall be reduced by the*
11 *amount of the credit allowed.*

12 (g) *In the case where the credit allowed by this section exceeds*
13 *the “net tax,” the excess may be carried over to reduce the “net*
14 *tax” in the following year, and the succeeding seven years if*
15 *necessary, until the credit is exhausted.*

16 (g)
17 (h) The Franchise Tax Board shall promulgate rules and
18 regulations necessary to implement this section.

19 (i) *This section shall remain in effect only until December 31,*
20 *2008, and as of that date is repealed, unless a later enacted statute,*
21 *which is enacted before December 31, 2008, deletes or extends*
22 *that date.*

23 SEC. 3. This act provides for a tax levy within the meaning of
24 Article IV of the Constitution and shall go into immediate effect.